



FLORENCE COPPER INC.

1575 W. Hunt Highway, Florence, Arizona 85132 USA

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Return Receipt Requested

August 29, 2018

David W. Dunaway
Water Quality Division
Arizona Department of Environmental Quality
1110 West Washington Street
Phoenix, Arizona 85007

Re: Florence Copper Inc. Application for Significant Amendment of Aquifer Protection Permit No. P-101704

Dear Mr. Dunaway:

Florence Copper Inc. (FCI) appreciates the opportunity to submit this information regarding our application for Significant Amendment of Aquifer Protection Permit (APP) No. P-101704 (LTF ID: 52202) submitted to the Arizona Department of Environmental Quality (ADEQ), and the subsequent exchange of data and information in support of that application. This letter provides a brief summary of the application timeline, the sequence of related submittals to ADEQ, and the subsequent submittal of a related application for a Temporary APP (P-106360) at the same project site. The application for Significant Amendment was submitted by Curis Resources (Arizona) Inc. which has since changed its name to Florence Copper Inc. The remainder of this document will refer to both entities as FCI.

Significant Amendment Application APP No. P-101704

FCI submitted an application for Significant Amendment of APP No. P-101704 (Amendment Application) to ADEQ on January 31, 2011. The purpose of the Amendment Application was to update and revise the existing site-wide APP, which had been issued to BHP Copper Inc. (BHP), a previous site owner, in 1997.

APP No. P-101704 was initially granted to authorize the operation of a commercial scale In-Situ Copper Recovery (ISCR) facility known as the Florence Copper Project (FCP). The permit had been amended in 2010 to change the owner name and to make other minor changes through the Other Amendment process. After the 2010 Other Amendment was approved by ADEQ, the permit required continuing monitoring but prohibited operation of an ISCR facility under the permit until a Significant Amendment had been completed. FCI submitted the Amendment Application to ADEQ on January 31, 2011. It included 1,127 pages of relevant material describing the FCP. ADEQ determined that the Amendment Application was administratively complete.

FCI also submitted an application for amendment of an existing Underground Injection Control (UIC) permit (No. AZ396000001) to the United States Environmental Protection Agency (USEPA) and sent a copy of the application to ADEQ on March 25, 2011. The UIC amendment application included data and information submitted pursuant to Title 40 of the Code of Federal Regulations Parts 124, 144, 146, 147, and 148.

ADEQ Request for Information Dated September 7, 2011

In response to its substantive review of the Amendment Application, ADEQ sent FCI a *Comprehensive Request for Additional Information* (Information Request) dated September 7, 2011. The Information Request included 3 “facility” information requests, 78 “hydrological” information requests, 2 “general” information requests, and 8 “engineering” information requests. Overall, the facility, engineering, and general information requests were concise and directly relevant to the Amendment Application.

The hydrological requests covered various subjects including site-specific hydrologic topics, requests for regional scale hydrologic data, water rights demonstrations, and re-submission of material provided to the USEPA and copied to ADEQ on March 25, 2011. However, several of the hydrologic information requests sought information that had already been submitted with the Amendment Application, several were redundant, and others reflected misunderstandings on information previously submitted by FCI.

Upon receipt of the Information Request, FCI requested to meet with ADEQ to discuss the request and obtain clarification of certain items requested. ADEQ scheduled two meetings on September 13 and September 20, 2011 to discuss the Information Request with the FCI team. During these two meetings, each of the individual Information Request items were discussed with ADEQ and the problems noted above were communicated to ADEQ. The outcome of these two meetings included modification of 36 of the 78 hydrological requests, many of which were reduced in scope, modified to reflect information already submitted, or were effectively consolidated to address redundancy.

Following the September 13 and 20, 2011 meetings with ADEQ and at the direction of FCI, Brown and Caldwell began compiling responses to each of the remaining individual Information Request items. While FCI’s response to ADEQ was being prepared, FCI began exploring a Temporary APP for Phase I of the FCP (referred to as the Production Test Facility or PTF), and on December 20, 2011, suspended the Amendment Application for APP No. P-101704. The PTF described in the Amendment Application was a pilot-scale ISCR facility that was an integral part of the future commercial operations at FCP. When the decision was made to prepare a Temporary Individual APP application (TAPP), the FCI team chose not to submit the response to the Information Request, but rather to incorporate the data and information compiled for the response directly into the TAPP application.

Temporary APP Application No. P-106360

FCI submitted an application for an Individual TAPP on March 1, 2012 for the PTF (Phase I as described in the January 2011 Amendment Application). The PTF is smaller in size and shorter in duration compared to the commercial-scale facilities described as Phase II in the Amendment Application. The Pollution Management Area (PMA) and all project facilities for the PTF are fully encompassed within the PMA of the existing APP No. P-101704. Notwithstanding that the PTF is small and fully encompassed within the area covered by APP No. P-101704, the TAPP application included a total of 1,754 pages, an increase of more than 600 pages of additional material contained in the Amendment Application. Most of the additional material in the TAPP application was included as a direct result of the September 2011 Information Request, and included text and graphics prepared directly for the response to the Information Request.

Although many of the requests ranged beyond the scope of data and information required to evaluate the proposed discharging facilities, FCI chose to submit as much of the requested information as possible to help speed review of the TAPP application. A summary of the additional hydrologic data and information included in the TAPP application is shown below.

Table 1 - Summary of Key Additional Data and Information Submitted in Response to Information Request dated September 7, 2011.

Type of Data and Information	Number of Additional Pages	Location in Temporary Individual APP Application
Design	81	Attachment 9
Geochemical	139	Attachment 10
Hydrologic	243	Attachment 14A
Hydrologic	26	Attachment 14B
Hydrologic	106	Attachment 14C

The additional material submitted with the TAPP application is focused primarily on hydrologic and geochemical aspects of the project as noted by the page count shown above. In addition to the data and information listed above, other Attachments to the TAPP application included additional data and information amounting to approximately 30 pages of material.

The PTF was included in the Amendment Application as the Phase I facility. The Phase II facility described in that application reflected the expansion of the planned Phase I facility. The geologic, hydrologic, and geochemical data and information submitted in the TAPP application applies equally to both the PTF and to the planned Phase II facility, and the submission of these materials constitutes a response to the September 7, 2011 Information Request, including a response to each of the hydrological Information Request items.



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The only Information Request items that FCI did not directly address in the TAPP application are those items specifically related to the sequencing of Phase II activities and design and operation of Phase II facilities.

Following submittal of the TAPP application, ADEQ requested additional information on May 2 and September 10, 2012. FCI responded to both requests in a timely manner. ADEQ issued Temporary APP No. P-106360 on September 28, 2012.

Closing

FCI is confident that the more than 600 pages of additional data and information submitted during the TAPP application process fully responded to all of the relevant hydrologic information requests related to the January 31, 2011 Significant Amendment Application of APP No. P-101704. However, because of the passage of time, and the intervening TAPP application and issuance process, FCI hereby notifies ADEQ that it is withdrawing its January 31, 2011 Amendment Application. A new Significant Amendment Application for APP No. P-101704 will be submitted to ADEQ by FCI in accordance with the requirements in FCI's TAPP No. P-106360.

FCI looks forward to the opportunity to continue working with ADEQ as it resumes the process of evaluating our application for a Significant Amendment of APP No. P-101704. Please direct any questions you may have regarding this letter to me at 520-233-1930.

Sincerely,

Florence Copper Inc.

Dan Johnson

FCI Vice President – General Manager

cc: Trevor Baggione, ADEQ
Maribeth E. Greenslade, ADEQ